



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Mark Bunnell	Geologist
BLM	Steve Rigby	Mining Engineer
BLM	Sue Berger	Mining Engineer Technician

Inspection Report

Permit Number:	C0410002
Inspection Type:	TECHNICAL
Inspection Date:	Wednesday, August 03, 2005
Start Date/Time:	8/3/2005 9:00:00 AM
End Date/Time:	8/3/2005 11:45:00 AM
Last Inspection:	Tuesday, July 12, 2005

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear, cool; 70's F.

InspectionID Report Number: 687

Accepted by: whedberg
9/1/2005

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **SUFCO MINE**

Address: **397 S 800 W, SALINA UT 84654**

County: **SEVIER**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

24,632.95	Total Permitted
27.36	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Today's technical field visit to the Big Ridge area of the Muddy Tract coal lease was performed as part of a pre-work meeting for the coal exploration drilling which will be done on SITLA coals, as well as coals administered by the BLM. All surface is managed by the Manti LaSal National Forest (USFS).

Mr. Karl Boyer, USFS conducted today's meeting with the Permittee, NELCO Construction and Lancaster Drilling. The BLM was represented by Mr. Steve Rigby, and Ms. Sue Berger.

Inspector's Signature

Date Wednesday, August 03, 2005

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

Topsoil removal and temporary storage for the exploration sites will be minimal. The area beneath the drill rig will be protected by brattice or another type of nonpermeable material to prevent soil contamination. Artificial berms will be built, with the nonpermeable material overlain to contain all fluids within the area, such that they can be easily recovered for disposal.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

There will not be any mudpits constructed at the exploration sites. All drilling muds will be contained in portable tanks.

4.d Hydrologic Balance: Water Monitoring

The FS has instructed the Permittee that any aquifers which are intercepted which report appreciable flow shall be reported to that agency for evaluation prior to the plugging and abandonment process.

7. Coal Mine Waste, Refuse Piles, Impoundments

All drill cores and other types of waste earth materials will be transported to the SUFCO Mine waste rock site for final disposal.

13. Revegetation

Revegetation of the disturbed areas was discussed this day. The FS provided a seed mix on page 1 and 2, (Stipulation #9) of the document titled, FOREST SERVICE STIPULATIONS, SUFCO 2005 COAL EXPLORATION DRILLING PROJECT.

16.a Roads: Construction, Maintenance, Surfacing

There is to be no road construction for this minor coal exploration. The USFS owns and manages all roads in the exploration area. ATV's will be used to provide transportation to and from the exploration sites. Horses will be used to string water line from the pumping locations to the well sites. A small track-mounted drill or a helicopter-portable drill will be used for the SITLA holes. The Permittee's contractor, NELCO Construction, will blade the roads to maintain them. The FS will allow the placement of gravel to improve road conditions.

17. Other Transportation Facilities

The FS indicated this day that it is imperative that the helicopter contractor follow the flight paths designated on Map 1. These paths are established to protect endangered birds in the area, and are the only approved travel paths allowed in the FS permit for the helicopter assisted drilling.

18. Support Facilities, Utility Installations

The Permittee, and personnel from NELCO Construction and Lancaster Drilling (Delta, Colorado) will utilize a campsite on FS land during this exploration project. Two portable toilets were discussed for utilization during today's meeting. Camp trailers will be used for lodging. Portable corral panels will be used for the horses which will be used. Certified weed free hay will be used to feed these animals.

21. Bonding and Insurance

The USFS is requiring Ark Land to post a bond in the amount of \$6,000 to ensure that sufficient funding is available to reclaim the two boreholes, the disturbed areas and the ATV trails which will be used to access holes A and B for the SITLA Muddy tract. Mr. Boyer and Mr. Bunnell are working through the details with CFC corporate to finalize this subject. The bond will be in place prior to any issuance of permit by the USFS.

22. Other

The Division reviewed Ark Land's Notice of Intent to Conduct a Minor Coal Exploration for two holes which will intersect coals administered by the State of Utah School and Institutional Trust lands Administration as Task ID #2134, which was recommended for a Conditional Approval on August 2, 2005. As the USFS is the surface landowner, the same application was reviewed as a Categorical Exclusion. The amount of surface to be disturbed amounts to 1.369 acres. As of August 3rd, a Decision memo is still being worked on. The FS believes that will be signed this week; the permit to conduct the exploration can then be issued to cover the two holes on the SITLA tract. To date, the BLM has not finalized the exploration license for the four holes which are to be drilled on Federal lease.